

16th November 2012

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Dear Andrew

Code Governance Review-Phase 2

In response to the Code Governance Review Consultation issued on 28th September, please see GTC's comments below.

Chapter 1-Question 1: Do you consider that a "fast track" self governance process should be available in the industry codes for minor housekeeping changes?

Housekeeping changes would need to be defined with clear guidelines in order to prevent misinterpretation and ambiguity. If these can be provided then yes, we agree that fast track self governance would be a suitable route for minor changes.

Question 3: Do you agree that the self governance should be introduced into the iGTUNC and STC and increased in the DCUS?

Yes, however as in response to question 1, defined guidelines are required.

Question 6: Should MRA modifications be subject to materiality test, to determine whether Authority approval of changes is required?

Yes

Question 7: Do you consider that it is appropriate to obligate non-domestic gas suppliers to accede to the SPAA?

For the intentions of the Code Governance Review Proposals to work fully-yes.

Question 8: Do you agree that SPAA modifications should be subject to a materiality test to determine whether Authority approval of changes is required?

Providing that the criteria is clearly defined-yes.

Question 9: Do you have any comments on Ofgem's guidance for discharging self governance appeals (appendix 7) and on the proposed adjustment to BSC, CUSC and UNC appeal windows?

No

Question 10: Do you consider that the ability to appeal a self governance determination should be consistent across all codes?

Yes

Chapter 3- Question 1: Do you agree with the proposal to extend the Significant Code Review process to DCUSA, iGTUNC, MRA, SPAA, STC, Grid Code and Distribution Code?

Although we cannot see any reason for there to be a need for a Significant Code Review to the iGT UNC at this stage, yes.

Chapter 4- Question 1: Do you agree that all industry code panels (or their equivalent) should provide substantive reasons for their recommendations/decisions?

Yes, however iGT's would not be able to provide costings due to all iGT organisations running different systems, therefore I would suggest this is a "Reasonable Endeavours" policy or for the cost data to be collated by the code administrator. This would, obviously involve an increase in costs to the process.

Question 2: Do you agree that the MRA should contain objectives against which code modifications are assessed?

Yes

Question 3: Do you agree that the Authority should be able to "send back" final modification reports in all codes, where a deficiency/ flaw in the report is identified?

Yes, providing that there are clearly defined reasons for doing so.

Question 4: Do you agree with the proposal to require all codes to have regard to and, to the extent relevant, but consistent with the CACoP principles?

iGT's are mostly compliant with the CACoP principles, however as discussed earlier, iGT's would not be able to provide costings when a modification proposal is raised and therefore would prefer it to remain a Guide rather than become a licence conditions. If this does mean the Code Administrator acting as a critical friend then this could increase the Code Administrator costs.

Question 5: Do you consider that a requirement on code administrators to fulfil a "critical friend" role should be set out in the relevant licence?

Yes, it would be beneficial to small parties if there was a single point of contact that could represent them at industry workgroups and also to help fully explain proposals being raised. It would encourage more participation from the smaller industry parties. We believe that if the Code Administrator is obliged to act as a critical friend, then clearly defining guidelines is essential. As Chapter 4 question 4 above, if an obligation is placed such that the Code Administrator must act as a critical friend this could increase Code Administrator costs.

Question 6: Do you agree with the amendments to the CACoP (Appendix 2) and do you consider that the standard process and templates described by the CACoP should have the status guidance (rather than being mandatory) at this stage?

No

Chapter 5-Question 1: Do you agree with the timetable proposed?

Given the complexity of other industry changes which are currently progressing, the 12 month timescale could cause some issues for all parties concerned. It may be advisable to extend this.

If you would like to clarify any points, please do not hesitate to contact me.

Yours sincerely

Tracy Goymer
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